

**Final Statement of Reasons for
Adoption of Proposed Amendments to California Code of Regulations,
Title 18, Sections 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed
Forms for Property Statements*, 252, *Content of Assessment Roll*, and
1045, *Administration of the Annual Racehorse Tax***

Update of Information in the Initial Statement of Reasons

The factual basis, specific purpose, and necessity for, the problem to be addressed by, and the anticipated benefits from the proposed amendments to California Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*, are the same as provided in the initial statement of reasons.

The State Board of Equalization (Board) did not rely on any data or any technical, theoretical, or empirical study, report, or similar document in proposing or adopting the amendments to Rules 101, 171, 252, and 1045 that was not identified in the initial statement of reasons, or which was otherwise not identified or made available for public review prior to the close of the public comment period.

The adoption of the proposed amendments to Rules 101, 171, 252, and 1045 was not mandated by federal statutes or regulations and there is no federal regulation that is identical to Rule 101, 171, 252, or 1045.

In addition, the factual basis has not changed for the Board's initial determination that the proposed regulatory action will not have a significant adverse economic impact on business and the Board's economic impact analysis, which determined that the Board's proposed regulatory action:

- Will neither create nor eliminate jobs in the State of California;
- Nor result in the elimination of existing businesses;
- Nor create or expand business in the State of California; and
- Will not affect the health and welfare of California residents, worker safety, or the state's environment.

The proposed amendments may affect small business.

No Mandate on Local Agencies or School Districts

The Board has determined that the proposed amendments to Rules 101, 171, 252, and 1045 do not impose a mandate on local agencies or school districts.

Public Comment

The Board received a letter dated November 8, 2012, from Dale Hough, Chief Appraiser in the Assessment Services Division of the Los Angeles County Assessor's Office, which stated that the "Los Angeles County Office of the Assessor approves" the proposed amendments to Rules 101, 171, 252, and 1045. The Board did not receive any other written comments regarding the proposed regulatory action and no interested parties asked to speak during the public hearing on November 14, 2012. Therefore, during the November 14, 2012, public hearing, the Board unanimously voted to adopt the proposed amendments to Rules 101, 171, 252, and 1045 without any changes.

Determinations Regarding Alternatives

By its motion, the Board determined that no alternative to the proposed amendments to Rules 101, 171, 252, and 1045 would be more effective in carrying out the purposes for which the amendments regulation are proposed, would be as effective and less burdensome to affected private persons than the adopted amendments, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

Furthermore, the Board did not reject any alternatives to the proposed amendments to Rules 101, 171, 252, and 1045 or any alternatives that would lessen the adverse economic impact on small businesses. No alternative amendments were presented to the Board for consideration.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to Revenue and Taxation Code (RTC) section 441.5 by Senate Bill No. 822 (Stats. 2009, ch. 204);
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;

- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.